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# Report of the K-12 Student Performance and Efficiency Commission to the 2015 Kansas Legislature

**CHAIRPERSON:** Sam Williams

**VICE-CHAIRPERSON:** Jim Hinson

**OTHER MEMBERS:** Dennis Depew, Janis Lee, Bev Mortimer, Mike O'Neal, Ken Thiessen, Dave Trabert, John Vratil

**NON-VOTING MEMBERS (EX-OFFICIO):** Scott Frank, Legislative Post Auditor; Raney Gilliland, Director of Legislative Research; Gordon Self, Revisor of Statutes; Brad Neuenswander, Interim Commissioner of Education; Shawn Sullivan, Director of Budget

**CHARGE**

- Determine how school districts may be more cost effective in their operations;
- Review the differences in per pupil expenditures and administrative expenses among districts with similar enrollments, student demographics, and student assessment performance;
- Review recommendations by other efficiency task forces, such as the Governor's School Efficiency Task Force;
- Determine how district administrative functions may be shared among multiple school districts; and
- Review district expenditures not directly related to the goal of providing each student with the educational capabilities set forth in KSA 2013 Supp. 72-1127 (*Rose standards*).

December 2014

K-12 Student Perf. & Effic.

Date: 1-6-14

Attachment: 4

# K-12 Student Performance and Efficiency Commission

## REPORT

### Conclusions and Recommendations

The Commission makes the following recommendations or comments relating to its statutory charge:

- The Commission expects the Legislature to continue to fund the completion of high demand technical education programs as well as consider expansion of the program into other areas (This program was implemented *via* 2012 SB 155.).
- The Commission expects the Legislature to provide for a study of the obligation of the state to continue to fund bond and interest state aid, excluding from the study those school districts that do not receive any bond and interest state aid.
- The Commission expects school districts to develop long-range strategic plans for capital outlay expenditures.
- The Commission strongly endorses the state's current two-year budgeting cycle and recommends its continuation, recognizing the Legislature can amend budgets during a legislative session.
- The Commission, to promote trust for those school districts relying on state aid to carry out operations, expects the state to continue making state aid payments in a timely manner, paying particular attention to early July payments and special education payments.
- The Commission expects the Legislature to repeal the 65.0 percent instruction expenditure public policy goal currently in statute (KSA 2014 Supp. 72-64c01 and 72-6460 (c)).
- The Commission recommends the Legislature require a cost and benefit analysis, examining the actual additional costs and actual expected benefits, be completed before any new state school district laws or regulations take effect.
- The Commission encourages continued support of the Coalition of Innovative Districts Act.
- The Commission applauds the State Board of Education for including finance, accounting, and budget management coursework in school district leadership licensing requirements. Furthermore, the Commission supports other entities in providing such continuing professional development.
- The Commission encourages inclusion of training in financial management for school

district board members as an expectation to the newly developed school district accreditation requirements by the State Board of Education; and

- The Commission recommends the Legislature address the issue of any excessive unencumbered ending balance in school districts, including establishing a reasonable amount of carry forward balances.

**Proposed Legislation:** The Commission recommends the legislation be introduced to accomplish the following:

- Establish a task force to set guidelines for efficient operation of school districts, which would be used as benchmarks in annual performance audits conducted as part of the statutorily required audits conducted by public accountants, and repeal the law establishing a school district audit team within the Division of Post Audit requiring them to conduct three school district efficiency audits each fiscal year;
- Amend the current Professional Negotiation Act such that for school districts only salaries and hours would be mandatory negotiable items. The Act would remain unchanged for postsecondary institutions; and
- Establish a study commission to study the standards for measuring educational outputs and whether the *Rose* standards are sufficient and measurable.

## BACKGROUND

The K-12 Student Performance and Efficiency Commission (Commission) was created by 2014 House Bill 2506, Section 29. The Commission is composed of the following members as required by the authorizing legislation:

- Six at-large members are appointed as follows: Two by the President of the Senate; one by the Minority Leader of the Senate; two by the Speaker of the House of Representatives; one by the Minority Leader of the House of Representatives;
- Three at-large members are appointed by the Governor; and
- The Commissioner of Education, the Director of the Budget, the Revisor of Statutes, the Legislative Post Auditor, and the Director of Legislative Research are nonvoting, *ex officio* members.

The 2014 Legislature charged the K-12 Student Performance and Efficiency Commission with studying and reviewing the following areas:

- Opportunities for school districts to be operated in a cost-effective manner;
- Variances in per pupil and administrative expenditures among school districts with comparable enrollment, demographics, and outcomes on statewide assessments;
- Opportunities for implementation of any recommendations made by any efficiency task forces established by the Governor prior to July 1, 2014;
- Administrative functions that may be shared between school districts; and
- Expenditures that are not directly or sufficiently related to the goal of providing each and every child with the capacities set forth in KSA 2014 Supp. 72-1127;

- Development of sufficient oral and written communication skills to enable students to function in a complex and rapidly changing society;
  - Acquisition of sufficient knowledge of economic, social and political systems to enable students to understand the issues that affect the community, state, and nation;
  - Development of students' mental and physical wellness;
  - Development of knowledge of the fine arts to enable students to appreciate the cultural and historical heritage of others;
  - Training or preparation for advanced training in either academic or vocational fields to enable students to choose and pursue life work intelligently;
  - Development of sufficient levels of academic or vocational skills to enable students to compete favorably in academics and the job market; and
  - Needs of students requiring special education services.
- Commission charge and statutory educational capacities, Jason Long, Office of Revisor of Statutes;
  - School efficiency audit reports, Scott Frank, Legislative Post Auditor;
  - Recommendations from the Governor's School Efficiency Task Force, Ken Willard, Task Force Chairperson; and
  - Past years' school data, Brad Neuenswander, Interim Commissioner of Education.

**August 19 and 20**

The Commission received presentations regarding student performance and school efficiency from the Kansas Association of School Boards, the United School Administrators, the Kansas-National Education Association, and the American Federation of Teachers-Kansas. The Commission also received presentations from staff regarding the implementation of recommendations from Legislative Post Audit school district efficiency audits and the Governor's School Efficiency Task Force. The Commission received additional presentations on the Kansas Public Employees' Retirement System and information regarding school district expenditures.

**September 3 and 4**

The Commission received presentations regarding student performance and school efficiency from superintendents of the following school districts: USD 282-West Elk, USD 439-Sedgwick, USD 465-Winfield, USD 266-Maize, USD 458-Basehor-Linwood, USD 233-Olathe, USD 443-Dodge City, USD 273-Beloit, USD 490-El Dorado, USD 447-Cherryvale, and USD 259-Wichita.

The Commission also received a presentation from Dr. Randy Watson, Chairperson of the Coalition of Innovative School Districts' Board.

**COMMITTEE ACTIVITIES**

The Commission requested and was granted twelve meeting days. The Commission met July 18; August 19 and 20; September 3, 4, 18, and 19; November 14; and December 15.

**July 18**

The Commission elected Sam Williams Chairperson and Jim Hinson Vice-chairperson. Additionally, the Commission heard the following presentations:

**September 18 and 19**

The Commission received a presentation regarding the Legislative Post Audits of at-risk funding from Scott Frank, Legislative Post Auditor. The Commission also received a presentation on the services provided and benefits offered by Jobs for America's Graduates by Matthew Fearing.

**November 14**

The Commission received a presentation on school district financial audits from Mark Dick of Allen, Gibbs & Houlik. The Commission received presentations regarding school district accounting systems from the Southeast Kansas Education Service Center and Harris School Solutions/Data Team Systems. Staff presented information on surveys conducted by the Commission of school district superintendents and an online survey open to the public. Finally, the Commission received presentations regarding the services offered by education service centers by representatives of Southwest Plains Regional Service Center, Southeast Kansas Education Service Center, and Smoky Hill Education Service Center.

**December 15**

The Commission reviewed all recommendations and bill drafts. The Commission adopted the recommendations presented in the draft report and determined not to include the following legislative proposals in its report:

- Establish a study commission to study the use of unencumbered cash balances by school districts and determine an appropriate amount of carry over for school districts across fiscal years (a recommendation for legislative action was adopted instead);
- Establish a study commission to study the reorganization of school district administration; and
- Require school districts to examine interlocal agreement opportunities every five years and report on whether those opportunities were pursued.